

2025 Consumer Reform Priorities to Protect Tenants

April 2025

The housing crisis for low- and moderate-income renters continues. The new Administration's actions, such as potential cuts to [staff](#) and [programs](#) at the Department of Housing and Urban Development, will likely exacerbate it. These developments add to the existing challenges of a severe shortage of affordable, decent housing; spiking rent increases; and abuses by corporate and private equity landlords.

Contributing to these woes are questionable tenant screening reports, abusive collection of rental debt, and imposition of junk fees. The following reforms to consumer protection laws are much needed to help struggling renters obtain and keep safe, decent, and affordable housing. States can adopt many of these reforms, and they should, given that landlord-tenant law has traditionally been the domain of state law.

I. Tenant Screening

States should:

- Mandate that landlords conduct an individualized assessment of rental applicants and prohibit blanket rejection policies, such as those that exclude any person with an eviction or criminal record or rely on tenant screening scores or other recommendations from a tenant screening company.
- Require landlords to make their tenant screening criteria publicly available and accessible to potential applicants.
- Require landlords to adopt tenant screening criteria that are specifically designed to assess whether the applicant has the current ability to pay rent and the applicant's suitability for tenancy. Any eviction records, criminal records, or other information that tenant screening companies are permitted to report and that landlords are permitted to use must bear directly on whether someone will be a successful tenant.
- Prohibit landlords from considering:
 - Any eviction records, or at least eviction records where the eviction filing did not result in a judgment against the tenant or the parties reached an agreement, because these records reflect and perpetuate racial disparities and are often inaccurate.
 - Any records, including eviction and criminal records, that have been sealed, expunged, or subject to similar relief.
 - Rental debts, or at least rental debts not reduced to a judgment, because they are often inflated or otherwise inaccurate

- Negative information about late or missed rent payments when the tenant disputes the reporting based on exercising their right to withhold rent due to poor conditions.
 - Non-conviction criminal records, or at least those older than four years. Whether a disposition of a criminal case is considered a conviction should be determined by state law.
 - Criminal convictions older than seven years.
- Prohibit tenant screening companies from reporting any records, including eviction and criminal records, that have been sealed, expunged, or subject to similar relief.
- Prohibit landlords from using—either by obtaining a traditional credit report or a tenant screening report that contains credit information—credit reports and scores in rental housing decisions.
- Require landlords to give specific reasons in writing for the denial of housing if they reject applicants.
- When assigning or selling a rental debt to a debt collector or buyer, require landlords to include a provision prohibiting reporting of the debt to a credit reporting or tenant screening agency.
- Prohibit tenant screening scores and other recommendations. In the alternative, require that any tenant screening algorithm or model used to produce scores or recommendations be empirically derived, demonstrably and statistically sound, and routinely tested to ensure fairness and prevent discrimination against protected classes. Give an appropriate state agency supervisory authority over tenant screening and other background screening companies.

Congress should amend the Fair Credit Reporting Act (FCRA) to:

- Adopt all of the reforms listed in the state reform section and also prohibit tenant screening companies from reporting:
 - Non-conviction criminal records older than four years (or a shorter time period if research supports it). Whether a disposition of a criminal case is considered a conviction should be determined by state law.
 - Criminal convictions older than seven years (or a shorter time period if research supports it).
- Extend the requirements and notices required for employment use of background check and credit reports to protect tenants when these reports are used for housing purposes.
- Require disclosure of tenant screening scores and recommendations and information about how the algorithmic scoring model treats information such as criminal or eviction records.
- Prohibit landlords from using—either by obtaining a traditional credit report or a tenant screening report that contains credit information—credit reports and scores in rental housing decisions.

- Require that any tenant screening algorithm or model used to produce scores or recommendations be empirically derived, demonstrably and statistically sound, and routinely tested to ensure fairness and prevent discrimination against protected classes.
- Extend the Consumer Financial Protection Bureau (CFPB) supervisory authority to cover all tenant screening and other background screening companies.

II. Debt Collection

Congress or state legislatures should:

- Require collectors, before engaging in any collection activity, to obtain and review appropriate documentation of alleged rental debts, including whether the landlord is entitled to such amounts under state law and complied with the procedural requirements of such laws.
- Clarify that debt collectors must cease collection and engage in additional investigation of portfolios of rental debt accounts when certain red flags are present, including repeated disputes from consumers and assessment of uniform charges for damages (e.g., accounts repeatedly charged the same amount for repainting).

The FTC and CFPB should:

- Bring enforcement actions against debt collectors for practices involving rental debt collection that violate the Fair Debt Collection Practices Act (FDCPA) or FCRA.
- Collaborate with state attorneys general to pass along information about abusive practices by landlords and property managers when these practices fall outside of CFPB authority.

III. Junk Fees

States should:

- Permit housing providers to charge only certain fees in addition to the stated amount of rent, which would be:
 - Security deposit.
 - A modest late fee no more than the cost of the late payment to the housing provider.
- Ban application fees or adopt strict limits (e.g., limited to approved applications or the actual cost of a tenant screening report obtained by the housing provider).
- Ban fees that:
 - Are excessive in amount or greater than the landlord's cost for a service.
 - Pay for services that the landlord is already required to provide (e.g., pest fees despite having an obligation under state law to maintain the rental unit pest-free).
 - Pay for services not ultimately provided (e.g., January fee, valet trash).
 - Prevent competition, such as requiring use of a certain cable/internet provider.

- Violate the common law doctrine against liquidated damages (e.g., penalty fees, lease termination fees that do not consider whether a landlord was able to mitigate by re-renting to a new tenant).

The FTC should:

- Amend its junk fee rule to apply to rental housing junk fees and prohibits hidden, misleading, and excessive fees.
- Develop guidance stating that it is an unfair debt collection practice to collect these prohibited junk fees.
- Investigate whether corporate and large landlords are committing unfair or deceptive practices by imposing unavoidable and exploitative junk fees, including fees that we have recommended to be banned in the last bullet of state recommendations.
- Develop guidance or rules to mandate that online platforms for rental advertisements, such as Zillow or Apartments.com, disclose all fees, including fees charged before and after signing a lease, for a rental.
- Study and address the disproportionate impact of these practices on renters and rental applicants of color.

For more information, contact National Consumer Law Center Attorney Chi Chi Wu (cwu@nclc.org).